

Message Text

SECRET

PAGE 01 KUWAIT 02477 111652Z

45 43

ACTION NEA-12

INFO OCT-01 ADP-00 NEAE-00 PM-07 MC-02 SS-15 NSC-10

CIAE-00 INR-10 NSAE-00 RSC-01 INRE-00 NSCE-00 SSO-00

OMB-01 IGA-02 L-03 PRS-01 EB-11 RSR-01 TRSE-00 COME-00

/077 W

----- 053430

O 111252Z JUL 73

FM AMEMBASSY KUWAIT

TO SECDEF NIACT IMMEDIATE

INFO SECSTATE WASHDC NIACT IMMEDIATE 7115

CNO NIACT IMMEDIATE

USCINCEUR

S E C R E T KUWAIT 2477

C O R R E C T E D C O P Y (TEXT)

SECDEF FOR DSAA/HOENIG SENDS

E.O. 11652: GDS

TAGS: MASS KU

SUBJ: FMS KUWAIT - F-8H LEASE-PURCHASE PLAN

REF: A. SECDEF MSG 252348Z JUN 73 B. KUWAIT 2267 280920Z JUN 73;

C. KUWAIT 2474 HOENIG REPORT NO 7

1. IN REF C WE INDICATED THAT THE GOK HAS NOW CHANGED ITS POSITION ON F-8H AND NOW CONSIDERING NEW ATTACK AIRCRAFT. CHANGE IN POSITION DOES NOT TRACK WITH TECHNICAL EVALUATION NOR RECOMMENDATION SENT FORWARD BY KAF AND APPROVED BY DEFENSE COUNCIL. WE TEND ASSUME APPARENT REVERSAL WAS PROMPTED IN DEFENSE AND SECURITY COMMITTEE OF NATIONAL ASSEMBLY OR IN PARLIAMENT ITSELF. WE KNOW THAT GOK VERY SENSITIVE RE NEW VS USED EQUIPMENT ISSUE AS WAS STRONGLY BROUGHT OUT IN OUR DISCUSSIONS ON VEHICLES.

2. BASED ON THESE LATEST DEVELOPMENTS IT MAY BE THAT SOME

SECRET

SECRET

PAGE 02 KUWAIT 02477 111652Z

INFLUENTIAL LOCALS WITH PAROCHIAL INTERESTS HAVE USED THIS GOK

SENSITIVITY TO REOPEN THE AIRCRAFT SELECTION PROCESS. WHILE THIS REEVALUATION POSITION PROVIDES OTHER US MANUFACTURERS A CHANCE FOR THIS SALE; IT ALSO PROVIDES FRENCH ADDITIONAL TIME TO POLISH AN ALREADY ATTRACTIVE OFFER.

3. FACT THAT MINDEF SAAD HAS ASKED THE AMBASSADOR FOR A POSSIBLE REDUCTION IN THE LEASE PRICE FOR THE F-8 IS AMPLE REASON TO BELIEVE HE IS SEARCHING FOR SOME SOLUTION TO COMBAT POSSIBLE CRITICISM AND AT THE SAME TIME PROVIDE A SUITABLE AIRCRAFT FOR OPERATIONAL USE WHICH HE CAN PROPOSE AS AN INTERIM AIRCRAFT. TO PROVIDE MINDEF SAAD WITH THIS OPTION, WE STRONGLY RECOMMEND THAT WE BE AUTHORIZED TO PROPOSE A LEASE/PURCHASE OPTION AT A REDUCED LEASE PRICE OF \$210,000/YEAR/AIRCRAFT.

4. THE \$210K LEASE PRICE PER A/C WOULD BE TO THE MODIFIED CONFIGURATION WITH THE ECM PACKAGE (CASE LAB) AND LINE ITEMS 3 THROUGH 13 (CASE SAB) TO BE PURCHASED BY GOK IN SUPPORT OF THE A/C. IF THE GOK ELECTS TO PURCHASE AT THE END OF THE FIRST YEAR THE PRICE WOULD BE \$1.159M, THE SECOND \$.949M THE THIRD \$.739M, AND THE FOURTH \$.529M. UNDER THIS PROPOSAL THERE WOULD BE NO ONE TIME CHARGE FOR THE REWORK AND MODIFICATION AS IT WOULD BE SPREAD OVER THE PERIOD OF LEASE/SALE OPTION.

5. IN ADDITION TO PROVIDING MINDEF SAAD WITH MEANS TO COUNTER CRITICISM FOR THE PURCHASE OF USED EQUIPMENT, IT ALSO PROVIDES YUVERY ATTRACTIVE FUNDING MECHANISM FOR THE GOK SHOULD THEY CHOOSE TO BUY.

6. AS THE AMBASSADOR HOPES SEE MINDEF SAAD ON SATURDAY 14 JULY, A REPLY IS REQUESTED BY 0800 LOCAL THAT DATE.

7. AMBASSADOR CONCURS.
STOLTZFUS

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: worrelsw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KUWAIT02477
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS STOLTZFUS
Errors: N/A
Film Number: n/a
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730741/aaaabdr1.tel
Line Count: 94
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 73 KUWAIT 2474, 73 KUWAIT 2267
Review Action: RELEASED, APPROVED
Review Authority: worrelsw
Review Comment: n/a
Review Content Flags:
Review Date: 02 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02-Jan-2002 by willialc>; APPROVED <28 FEB 2002 by worrelsw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FMS KUWAIT - F-8H LEASE-PURCHASE PLAN
TAGS: MASS, KU
To: n/a
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005